

REMARKS

This amendment is submitted in response to the office action of May 4, 2005.

Reconsideration and allowance of the claims is requested. In this office action, claims 1-12 are pending. The claims are rejected over combinations of *Lessin* US 4,868,376 considered with *Joao* US 6,529,725 and *Cambier* US 6,532,298. In response, applicant has amended claim 1 to more clearly set forth the now features of the present invention. As such, claim 1 now includes the limitations of previously pending claims 6, 7 and a portion of claim 8. Consideration and allowance of all pending claims is respectfully requested.

Claim 1 and its dependent claims clearly recite a novel method for conducting and approving a charge transaction from a remote location. The person approving the transaction, from the remote location, uses a PEAD incorporated in a cellular phone or the like, to remotely approve the transaction. The present invention is a method and apparatus particularly related to substantially eliminating the security risks associated with prior techniques for approving transactions between a user and an electronic transaction system. Specifically, as now clearly claimed, when the merchant picks up the charge card for a transaction to be conducted, the use of the card is detected at a central processing area. Using the information conveyed to the central processing area, a call is placed to a cellular phone or the like of a person required to authorize the charge card transaction, including a report to the users card of the transaction to be conducted. In response, upon the entry of a pin or the like at the authorizing person's cell phone or equivalent device including a PEAD, the approval of the transaction is conveyed back to the charge card terminal only upon the approval by the authorized person.

The prior art references cited by the Examiner are simply a collection of prior art devices, no one of which suggests a motivation to combine the references to achieve the claimed device, a basic essential for maintaining the rejection.

For example, *Lessin* US 4,868,376 simply is a charge transaction terminal which requires providing a merchant card to a merchant where the card transaction is to be conducted, and accepting a pin number at the location where the transaction is conducted. Therefore, there is no teaching or suggestion of the basic approach to transaction approval which is disclosed and claimed herein, and *Lessin* can not stand as a basic teaching reference. The Examiner attempts to overcome this deficiency by the citation of *Joao* and *Cambier*. *Joao* US 6,529,725 is simply a further example of the prior art in the sense that the transaction being

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conducted is reported to a device being carried by the user. In response, the device will either automatically respond to approve the transaction or the holder of the communication device pushes a button or the like to prompt authorization of the device. Therefore, there is little security associated with the *Joao* system. In contrast, the claimed system has security at the server which accesses a secure data base to call the authorizing device (as previously recited in claim 6 and now recited in claim 1) and requires the authorizing person to approve the transaction by entering a pin number at the cellular phone being called (as previously claimed in claim 8 and now claimed in claim 1). Therefore, this citation of prior art can not support the rejection presently proposed.

The Examiner further attempts to support his rejection by the citation of *Cambier* US 6,532,298. In the first place, *Cambier* does not supply the deficiencies of the previous references, as it is a teaching of capturing iris images for identification of a person, and does not otherwise contribute to the rejection which requires two levels of security including a pin to cause the server to call the authorizing device, the authorizing device incorporating a PEAD which must be selectively activated by the holder using further security to transmit an authorizing signal back to the location where the transaction is being conducted. Further, *Cambier* has a filing date of September 14, 1999, after the established filing date of March 2, 1999 of the present application (see the previous response to final office action dated September 20, 2004).

Therefore, in view of these clear distinctions, reconsideration and allowance of all pending claims is respectfully requested.

Respectfully submitted,



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